

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

www.hlmx.com

Via USPS Priority Mail

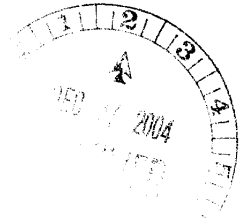
December 17, 2004

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECORDATION NO. 25369 FILED

DEC 27 '04 4-00 PM

SURFACE TRANSPORTATION BOARD



RE: Certification of True Copy of the **NET LEASE AGREEMENT** ("Lease") dated as of November 1, 2004 between **HELM FINANCIAL CORPORATION**, a California corporation ("**Lessor**") and **REPUBLIC ENGINEERED PRODUCTS, INC.**, an Ohio corporation ("**Lessee**").

Dear Mr. Williams:

On behalf of **Helm Financial Corporation**, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereby the following document:

Three (3) fully-executed certified original copies of the above-referenced Lease.

In connection with the recording of the Lease, please note the following information:

Name & Address of Lessor: **Helm Financial Corporation**
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

Name & Address of Lessee: **Republic Engineered Products, Inc.**
3770 Embassy Parkway
Akron, Ohio 44333-8367 (26 gondolas / 1 gondola)

Equipment: Twenty-seven (27) gondola railcars within the series HLMX 12401-12499 N.I. and HLMX 50701 and more fully described in Schedule A to the Net Lease Agreement dated as of November 1, 2004 between Helm Financial Corporation, a California corporation, and Republic Engineered Products, Inc., an Ohio corporation.

Previous STB Filing: None

Please file the Memorandum as a primary document and return two (2) endorsed originals to my attention. A check covering the filing fee of thirty-two dollars (\$32.00) is enclosed.

Yours truly,

Cecilia Mostaghim
Contract Administrator

Enclosures (3)

RECORDATION NO. 25369 FILED

CERTIFICATION OF TRUE COPY

DEC 27 '04 4:00 PM

SURFACE TRANSPORTATION BOARD

On December 13, 2004, I Cecilia Mostaghim examined the original copy of the **Net Lease Agreement** dated as of November 1, 2004 by and between **HELM FINANCIAL CORPORATION**, a California corporation ("**Lessor**"), and **REPUBLIC ENGINEERED PRODUCTS, INC.**, an Ohio corporation ("**Lessee**"). I hereby certify that I have compared the attached duplicate copy with the original and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgements thereof.

Cecilia Mostaghim

Name: Cecilia Mostaghim
Title: Contract Administrator

STATE OF CALIFORNIA

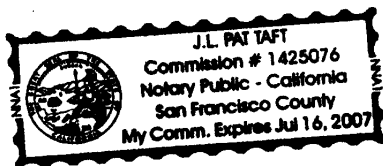
COUNTY OF SAN FRANCISCO

On December 15th, 2004, before me, J. L. Pat Taft, personally appeared Cecilia Mostaghim, Contract Administrator for **HELM FINANCIAL CORPORATION**,

☒ personally known to me **-OR-**

_____ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



[Notarial Seal]

Witness my hand and official seal.

J. L. Pat Taft
SIGNATURE OF THE NOTARY

NET LEASE AGREEMENT

THIS NET LEASE AGREEMENT ("Lease") is dated as of November 1, 2004 between HELM FINANCIAL CORPORATION, a California corporation ("Lessor") and REPUBLIC ENGINEERED PRODUCTS, INC., an Ohio corporation ("Lessee").

1. **Lease.** Subject to the terms and conditions of this Lease, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the rail equipment described in Schedule A attached hereto ("Unit(s)").

2. **Lessee's Acceptance of the Units.** Lessee accepted the Units from Lessor "AS-IS", "WHERE-IS" on November 1, 2004 ("Delivery Date"). Lessee shall be responsible for all costs associated with the movement of each accepted Unit after the Delivery Date.

3. **Term.** The term of this Lease shall commence for each Unit on the Deliver Date and shall continue in effect through and including October 31, 2009 ("Term").

4. **Rent.** Effective as of the Delivery Date Lessee shall pay to Lessor on the first day of each month in advance rent in the amount of _____ per Unit per month ("Rent"). Rent shall continue in effect for each Unit, until such Unit is returned to Lessor in accordance with the terms of this Lease. Rent shall be pro-rated on a daily basis if the return date for any Unit is other than on the first day of any month. All payment of Rent shall be made directly to Lessor at its address for notices hereunder. Lessee's obligation to pay all Rent and other sums when due and to otherwise perform its obligations under this Lease is absolute and unconditional, and shall not be subject to any abatement, reduction, set-off, defense, counterclaim, interruption, deferment or recoupment. Each Rent or other payment made by Lessee hereunder shall be final and Lessee shall not seek to recover all or any part of such payment from Lessor. The Rent and other sums payable by Lessee hereunder shall be paid without notice or demand.

5. **Car Hire Earnings.** Provided that Lessee is not in default under this Lease, Lessor shall pay to Lessee all car hire earnings attributable to the Units (per diem and/or mileage) received by Lessor, if any, until the expiration or earlier termination of this Lease. If the Units bear reporting marks other than Lessor's, Lessor shall have no responsibility for any car hire earnings and such responsibility shall lie solely with Lessee.

6. **Identification Marks.** Lessee will keep each Unit marked with the identifying mark and number as set forth in Schedule A hereto, and Lessee will not change such mark or number without the prior written consent of Lessor. Lessee will not allow the name of any person or entity or any other mark or logo to be placed upon any Unit without the prior written consent of Lessor.

7. **Taxes.** Lessee shall pay when due (or reimburse to Lessor), and on a net after-tax basis shall indemnify and defend Lessor from and against any and all fees, taxes and governmental charges of any nature including, without limitation, liens, encumbrances, interest, penalties, fines and assessments (collectively, "Taxes") which may now or hereafter be imposed or levied by any foreign, federal, state, provincial or local authority upon this Lease or the Units (including, without limitation, relating to or arising from the transportation, delivery, installation, leasing, possession, use, operation, storage and return of such Units during the Term). Lessee shall have no responsibility for any Taxes on or measured by Lessor's income. Lessee will pay promptly all Taxes which may be imposed upon Lessee's income and earnings arising from or connected with this Lease or the Units. The term Taxes shall include any sales, use or ad valorem tax applicable to the operation of the Units during the Term.

8. **Casualty Occurrence.** During the Term, Lessee hereby assumes all risk of loss, damage, theft, taking, destruction, confiscation, condemnation, requisition or commandeering, partial or complete, of or to each accepted Unit, however caused or occasioned (collectively, a "Casualty Occurrence"). Lessee shall promptly notify Lessor of any Casualty Occurrence and fully inform Lessor in regard thereto. If the Casualty Occurrence is caused by Lessee's negligence, or it takes place on Lessee's property or while the subject Unit is in Lessee's custody and control regardless of Lessee's fault, such notice shall include a settlement value payment as specified in the Casualty Schedule attached hereto as Schedule B ("Settlement Value" as applicable to any Unit), together with an amount equal to any accrued Rent for such Unit through the date of such Settlement Value payment. If the Casualty Occurrence takes place on a railroad and Lessee's negligence is not the cause of thereof, Lessee shall promptly pay to Lessor all rent owing for such Unit through and including the date of the Casualty Occurrence and Lessee shall assist Lessor in collecting the AAR Rule 107

payment from the subject railroad. Upon Lessee's payment of such Settlement Value and accrued Rent for any Unit, (a) the Rent for such Unit shall cease and the Lease for such Unit shall terminate, and (b) Lessee shall be entitled to ownership and possession of such Unit or the remains thereof on an **as-is, where-is** basis without recourse or warranty. Lessor has the right, but not the obligation, to replace any Unit which suffers a Casualty Occurrence, subject to Lessee's inspection. Lessee shall not be released from the obligation to pay Rent under this Lease with respect to a casualty Unit until the Settlement Value is paid to Lessor. Upon receipt by Lessor of any AAR Rule 107 payment from any railroad with respect to any Unit for which Lessee has paid the Settlement Value, Lessor shall promptly forward such payment to Lessee, provided Lessee is not in default under this Lease.

9. **Inspection.** At the sole expense of Lessor, Lessor or its agent, shall have the right to inspect the Units and Lessee's records with respect thereto at such reasonable times and places as Lessor may request and upon twenty-four (24) hour written notice.

10. **Warranties; Waiver.** So long as no Event of Default has occurred and is continuing, Lessor warrants that neither Lessor nor its successors and assigns will interfere with Lessee's quiet enjoyment and use of the Units during the Term. Notwithstanding anything in this Lease to the contrary, **LESSOR LEASES AND LESSEE ACCEPTS THE UNITS AS-IS, AND LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE UNITS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE UNITS PURSUANT TO THIS LEASE TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF WORKMANSHIP IN THE UNITS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY MANUFACTURER'S OR OTHER DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY UNITS. LESSEE HEREBY WAIVES ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT OR ABSOLUTE LIABILITY IN TORT) IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGE) OR EXPENSE CAUSED BY THE UNITS. LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE UNITS AND THAT LESSEE ACCEPTS THE UNITS BASED UPON ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS ANY RELIANCE ON STATEMENTS MADE BY LESSOR OR ITS AGENTS.**

11. **Compliance with Laws.** Lessee agrees to comply with all laws, rules, regulations, decrees, or orders which apply to the operation or use of any Unit, including, but not limited to, the AAR, the FRA, the Surface Transportation Board ("STB") or any other legislative, executive, regulatory, administrative or judicial body exercising any power or jurisdiction over the Units (collectively, "Laws"). If any Laws require the modification, alteration or repair of any such Unit, Lessee agrees, at its sole expense, to maintain the same in proper condition and to operate the Units in compliance with such Laws; provided, however, that Lessee may in good faith contest the validity or application of any such Laws in any reasonable manner which does not, in the reasonable opinion of Lessor, adversely affect Lessor's rights under this Lease or Lessor's ownership of the Units.

12. **Maintenance; Alteration; Accessions.**

(a) **Maintenance.** Commencing on the Delivery Date, Lessee shall pay for all repairs, maintenance and replacement of parts as are necessary to keep each Unit in good running order and repair.

(b) **Alteration; Accessions.** Lessee shall not materially alter, or allow any third party to materially alter, the physical structure of any Unit without the prior written consent of Lessor. All additions, alterations, improvements or replacements to any Unit made by Lessee shall constitute accessions to such Unit and belong to Lessor unless otherwise agreed by the parties in writing. Notwithstanding the forgoing, during the Term and as long as Lessee is not in Default hereunder this Lease, Lessee may modify the Units in any way it desires; provided, however, that should Lessee Default under the terms and conditions of the Lease, Lessee shall return such Units to their original configuration. Furthermore, should Lessee remove any major component part of a Unit that would reduce the overall tare weight of such Unit, at the expiration of the Lease, Lessee shall pay to Lessor (a) an amount equal to the scrap value of the difference between such Unit's original tare weight and its tare weight upon return to Lessor, or (b) provide Lessor with scrap metal equal to the difference between such Unit's tare weight and its tare weight upon return.

13. **Insurance.** During the Term and so long as Lessee retains possession of a Unit, Lessee shall maintain: (a) all-risk, physical loss or damage insurance ("**Property Insurance**") for each Unit in a minimum amount equal to the aggregate Settlement Value; and (b) public liability insurance in a minimum amount of

for personal or bodily injury, wrongful death and property damage, in each case for such risks and with such insurance companies as are reasonably satisfactory to Lessor. Lessee may elect to satisfy all or a part of the Property Insurance requirements through self-insurance. All insurance policies shall be in the name of Lessee and shall (a) name Lessor as loss payee for the all risk insurance and as additional insured for liability insurance, and (b) provide Lessor with thirty (30) days' prior written notice before coverage lapses, is canceled or materially changes. If Lessee fails to obtain insurance, or if said insurance lapses or is canceled, Lessor has the right to purchase the insurance described above and Lessee shall pay the cost thereof. Lessee's insurance policies shall be primary to any insurance of Lessor, and Lessee shall require its insurers to specifically waive subrogation, claim and recovery against Lessor's insurance. Any deductibles in the above described policies shall be paid by Lessee. Lessee shall furnish to Lessor upon execution of this Lease and thereafter at Lessor's request, Certificates of Insurance evidencing the aforesaid insurance. Lessee shall provide Lessor a certified copy of each insurance policy upon written request.

14. **Indemnification.** Lessee shall indemnify, defend and hold harmless Lessor and its officers, partners, shareholders, affiliates, directors, attorneys, employees and agents from and against any and all costs, expenses, losses, taxes, penalties, obligations, claims, damages, actions or other liabilities (including but not limited to reasonable counsel fees and expenses, and tort and strict liability claims) which Lessor may incur (unless resulting from Lessor's gross negligence or willful misconduct) in any way relating to, arising from or by reason of (a) this Lease or the use, operation, condition, delivery, storage, or return of any Unit, until such Unit is returned to Lessor in accordance with the terms of this Lease, or (b) any accident, personal injury, death, property damage or other liability involving any Unit, on or after the Delivery Date until such Unit is returned to Lessor in accordance with the terms of this Lease. The indemnities hereunder shall survive payment or performance of all other obligations under this Lease or the expiration or earlier termination of this Lease. Lessee shall give Lessor prompt written notice of any event or condition in connection with which Lessor may be entitled to indemnification hereunder.

15. **Financial Information.** Lessee agrees to furnish to Lessor (a) within one hundred twenty (120) days after the close of each fiscal year, its audited consolidated financial statements including its most recent balance sheets, statements of income, retained earnings and changes in financial position for the fiscal year then ended, each prepared in accordance with United States generally accepted accounting principles consistently applied ("**GAAP**"); all of which shall be certified by Lessee's independent auditors (or if unavailable by the president or chief financial officer), to be complete, correct and in accordance with GAAP subject only to normal year-end auditing adjustments; and (b) promptly from time to time such other information concerning the business, condition and affairs of Lessee as Lessor shall reasonably request.

16. **Liens.** At its sole expense, Lessee will keep the Units or any part thereof free and clear of any and all liens, security interests, charges, claims or other encumbrances ("**Liens**"), except for any Liens arising by, through or under Lessor. Lessee will promptly pay, satisfy and otherwise take such actions as may be reasonably necessary to keep the Units free and clear of, and to duly discharge, eliminate or bond in a manner satisfactory to Lessor, any Liens which may arise. Lessee will promptly notify Lessor in writing if it has knowledge of any Lien that shall attach to any Unit, and of the full particulars thereof.

17. **Return.** Units will be used for "in-plant" service by Lessee and may not be fit for interchange service upon expiration of the Term. Upon the expiration of the Term, Lessee shall provide to Lessor an area on Lessee's property with enough space for Lessor to store and dismantle the Units for scrap (such area the "**Return Point**"). Lessee shall permit Lessor free of charge for a period not exceeding 30 days the Units at the Return Point ("**Free Storage Period**"). If Lessor requests Lessee to store any Unit for a period beyond the Free Storage Period, such additional storage shall be at the expense of Lessor. Lessee will permit and allow Lessor, or Lessor's agent, access to the Units at any time while the Units are in storage at the Return Point.

18. **Default.** Each of the following shall constitute an "**Event of Default**" under this Lease:

(a) Lessee fails to make any payment of any part of the Rent or any other amount payable to Lessor under this Lease and such nonpayment continues for ten (10) calendar days after written notice thereof from Lessor;

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(b) Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any part thereof;

(c) Lessee fails to perform or observe any term, covenant, condition or agreement contained in this Lease and such failure continues uncured for ten (10) calendar days after written notice thereof from Lessor;

(d) Any representation or warranty made by Lessee in this Lease shall be false or misleading at any time in any material respect;

(e) Lessee ceases doing business as a going concern or transfers all or a substantial part of its assets; or becomes or is adjudicated insolvent or bankrupt, admits in writing its inability to pay its debts as they become due, or makes an assignment for the benefit of creditors; or Lessee applies for or consents to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer is appointed without the consent of Lessee; or Lessee institutes any bankruptcy, insolvency, reorganization, moratorium, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction, or any such proceeding is instituted against Lessee and is not dismissed within thirty (30) calendar days; or any judgment, writ, warrant or attachment or execution of similar process is issued or levied against a substantial part of Lessee's property and remains unsatisfied for thirty (30) calendar days.

21. Remedies.

(a) **Events of Default.** Upon the occurrence of any Event of Default, Lessor may, with or without notice to Lessee, exercise any one or more of the following remedies, as Lessor in its sole discretion shall elect:

(i) proceed by appropriate court action(s) either at law or in equity, to enforce Lessee's performance under this Lease or to recover damages for the breach thereof;

(ii) by notice in writing to Lessee terminate this Lease, whereupon all rights of Lessee to the use of the Units shall absolutely cease and terminate, but Lessee shall remain liable as herein provided;

(iii) require Lessee, at Lessee's expense, to return any or all of the Units in accordance with the return provisions of this Lease, or Lessor or its agent, at its option may in a reasonable manner and without damage to the property of Lessee or any third party enter upon the premises of Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its sublessee(s), successors or assigns, to use the Units for any purposes whatsoever;

(iv) declare immediately due and payable all Rents and other amounts due and to become due under this Lease;

(v) sell by public or private sale, release, hold, retain, or otherwise dispose of the Units in any manner Lessor chooses, free and clear of any claims or rights of Lessee; and

(vi) exercise any other right or remedy then available to Lessor at law or in equity.

(b) **Interest.** In the event Lessee shall be in default in the payment of Rent or any other amount due under this Lease, Lessee shall pay Lessor as additional rental interest on such unpaid sum from its due date to the date of payment by Lessee at a rate equal to or the maximum rate permitted by law, whichever is less.

(c) **Cumulative Remedies.** No remedy referred to in this Lease is intended to be exclusive, but each shall be cumulative and concurrent to the extent permitted by law, and shall be in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No failure or delay on the part of Lessor to exercise any right or remedy hereunder shall operate as a waiver thereof. No express or implied waiver by Lessor of any default or breach shall constitute a waiver of any other or subsequent default or breach by Lessee. If Lessee fails to pay or otherwise perform any of its obligations under this Lease, Lessor may, but shall not be obligated to, pay such amounts or perform

such obligations for the account of Lessee without thereby waiving Lessor's right to declare an Event of Default. In any such event, Lessee shall immediately upon demand reimburse Lessor for any such costs and expenses incurred by Lessor.

(d) **Costs of Default.** In addition to the above and in all cases, Lessee shall be liable for all costs, expenses and damages incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including, but not limited to, all reasonable attorneys' fees and costs whether or not court proceedings are brought, costs related to the repossession, storage, repair, inspection, and transportation or other disposition of the Units, and all incidental and consequential damages.

22. Assignment and Use.

(a) **Assignment by Lessor.** Lessor may, without the consent of and without notice to Lessee, assign or sell its interest in, grant a security interest in, or otherwise transfer in whole or in part this Lease, any Unit or any of its rights, interests or obligations with respect thereto, including, without limitation, all Rent and other sums due or to become due to one or more persons or entities. Lessee shall be under no obligation to any assignee of Lessor except upon written notice of such assignment from Lessor. In conjunction with any assignment of this Lease by Lessor, Lessee hereby agrees to promptly provide any reasonable documentation requested by Lessor. Lessee shall not assert against any assignee any claim, defense, counterclaim or set-off that Lessee may at any time have against Lessor.

(b) **Assignment by Lessee.** So long as Lessee shall not be in default hereunder, Lessee may with the prior written consent of Lessor, at Lessor's reasonable discretion, sublease or assign any one or more of the Units. For purposes hereof an assignment shall be deemed to include any sale, transfer or assignment of this Lease by operation of law or otherwise or any material change in the beneficial ownership of Lessee. Notwithstanding the foregoing, Lessee may sublease any one or more of its Units to any affiliate, parent or subsidiary of Lessee. Without the prior written consent of Lessor, Lessee may not otherwise transfer or encumber its leasehold interest under this Lease in the Units and Lessee shall not part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units.

(c) **Restrictions on Use.** Lessee covenants and agrees at all times that: (i) Lessee will not sublease or assign this Lease to any person or entity that is not a United States citizen or incorporated or organized under the laws of a state of the United States, (ii) Lessee will not use or operate the Units outside of the United States (other than incidental and temporary use in Canada not to exceed _____ in any one year period), and (iii) Lessee will use and operate the Units only in the ordinary conduct of its business by qualified employees of Lessee and in accordance with all applicable operating instructions for any Unit, including, but not limited to, the cargo weight limits stenciled on each Unit. Lessee agrees to not load or use any Unit to transport any hazardous material or substance as defined in any foreign, federal, state or local law, rule or regulation.

23. Representations & Warranties of Lessee. Lessee represents and warrants to Lessor that (a) Lessee is a corporation duly organized, validly existing and in good standing under applicable state law, with adequate corporate power to enter into this Lease; (b) this Lease has been duly authorized, executed and delivered by Lessee and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms; (c) the execution and performance of this Lease will not contravene, breach or create a material default under any legal, organizational or contractual obligation of Lessee or any law, rule, regulation, judgement or order binding upon Lessee or its property; (d) there are no pending or threatened actions or proceedings before any court or administrative agency that could have a material adverse effect on Lessee, nor is Lessee in default under any material loan, lease or purchase obligation; and (e) the financial statements and other information furnished and to be furnished to Lessor are and will be true and correct.

24. Notices. Any notices given or required to be given hereunder shall be sufficient if transmitted and received by facsimile (with a confirmation copy sent by overnight air courier or certified mail), sent by overnight air courier, or deposited in the United States mail, postage prepaid, certified, return receipt requested, to the addresses set forth below or at such other address as the parties shall have specified in writing:

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If to Lessor:

Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111
FAX: (415) 398-4816
ATTN: President

If to Lessee:

Republic Engineered Products, Inc.
3770 Embassy Parkway
Akron, OH 44333-8367
FAX: (330) 670-7056
ATTN: Mr. John George, VP Purchasing

25. Miscellaneous.

(a) **Further Assurances.** Upon Lessor's request and at its sole expense, Lessee shall promptly execute, acknowledge and deliver such further documents, and take any and all other action reasonably requested by Lessor from time to time as is necessary for the purpose of effectuating the intent and purposes of this Lease, as required by law or to protect the interests of Lessor in the Units and this Lease, including, without limitation, a Memorandum of Lease to be filed with the STB and UCC-1 Financing Statements.

(b) **Severability.** If any term, provision, covenant or restriction of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the parties hereto that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable.

(c) **Entire Agreement; Amendment.** This Lease, together with all exhibits and schedules attached hereto, contains the entire agreement of the parties regarding the subject matter hereof and supersedes all other agreements and understandings, oral or written, with respect thereto. This Lease may not be amended, modified or changed, or any provision of this Lease waived, except by instruments in writing signed by the parties hereto. No course of dealing between the parties will be deemed to modify, amend or discharge any part of this Lease or any rights or obligations of any party.

(d) **Successors and Assigns.** This Lease will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

(e) **Counterparts.** This Lease and any documents collateral thereto may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original, but all such counterparts taken together shall constitute but one agreement.

(f) **Law Governing; Waiver of Jury Trial.** This Lease shall be construed and enforced, in accordance with the laws of the State of Ohio without reference to its choice of law provisions; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. 11301. **THE PARTIES EACH IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH ANY MATTER RELATING DIRECTLY OR INDIRECTLY TO THIS LEASE OR THE UNITS WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LEASE.**

(g) **Construction.** The language used in this Lease will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against either party. Lessee acknowledges that it has been represented by counsel in connection with this Lease or that it has voluntarily declined to seek representation by counsel. Lessee has not received nor is Lessee relying on advice concerning tax and legal matters from Lessor or its counsel.

(h) **Brokers.** Each party represents and warrants that it has not employed, authorized or appointed a broker in connection with the transactions contemplated by this Lease.

(i) **Survival.** The respective representations, warranties, indemnities, covenants, obligations and agreements of the parties shall survive the expiration or earlier termination of this Lease or any extensions thereof.

(j) **Attorneys' Fees.** If any legal action is brought for the enforcement of this Lease or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Lease, the successful or

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prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in such action or proceeding.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

HELM FINANCIAL CORPORATION

REPUBLIC ENGINEERED PRODUCTS, INC.

CM By: *John F. Dains*
Name: JOHN F. DAINS
Title: PRESIDENT

By: *John B. George*
Name: John B. George
Title: V.P. of Engineering

CM

SCHEDULE A

To the Net Lease Agreement dated November 1, 2004 between Helm Financial Corporation and Republic Engineered Products, Inc.

THE UNITS

Unit Descriptions:

- A. Twenty-six (26), 52'6", 100-ton, roller bearing gondola railcars with 4'6" high sides; built by Ortner in 1979.
- B. One (1), 50', 70-ton boxcars; built 1977.

Unit Numbers:

- 1. HLMX 12401
- 2. HLMX 12405
- 3. HLMX 12411
- 4. HLMX 12416
- 5. HLMX 12419
- 6. HLMX 12420
- 7. HLMX 12421
- 8. HLMX 12423
- 9. HLMX 12424
- 10. HLMX 12426
- 11. HLMX 12430
- 12. HLMX 12439
- 13. HLMX 12444
- 14. HLMX 12449
- 15. HLMX 12453
- 16. HLMX 12456
- 17. HLMX 12464
- 18. HLMX 12465
- 19. HLMX 12478
- 20. HLMX 12481
- 21. HLMX 12482
- 22. HLMX 12484
- 23. HLMX 12487
- 24. HLMX 12489
- 25. HLMX 12493
- 26. HLMX 12499
- 27. HLMX 50701

CMM